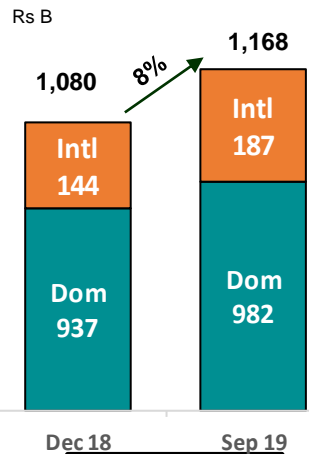




Financial Results – September 2019

Investor Presentation

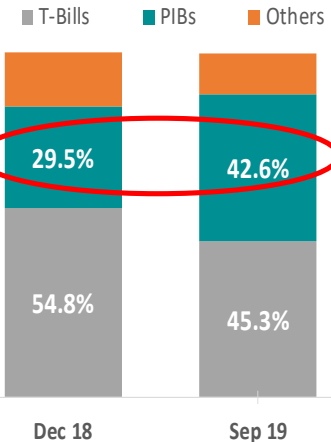
Advances - Rs 1.2 Trillion, with ADR improved to 54.4%



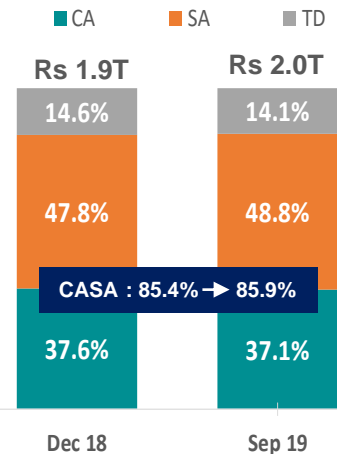
Market Share

12.18% → 12.45%

Investments: Rs 1.4 Trillion Building the PIB Book



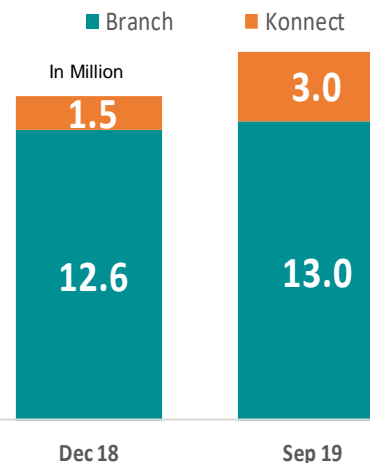
Dom. Deposits > Rs 2.0 tn. CA deposits up 5% to Rs 743b



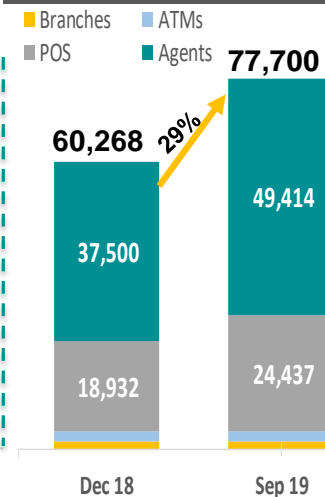
Market Share

13.9% → 14.0%

Customer base > 16.0M



Touchpoints



Growing Trade

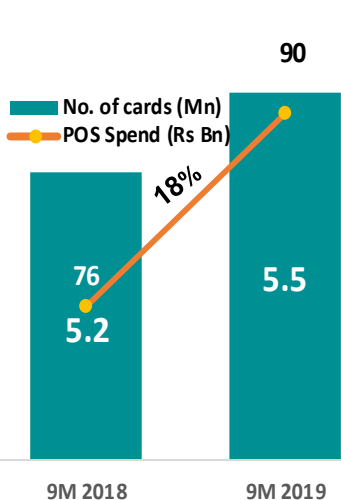
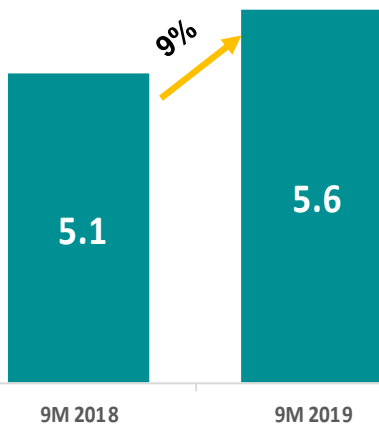
Cards base of over 5.5 Mn (Credit Cards at 180K)

Employee Banking

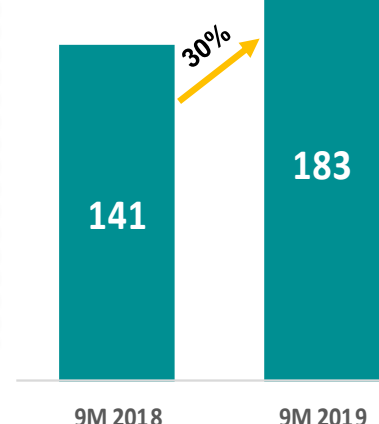
Cash Management Throughput

Fee leadership across businesses

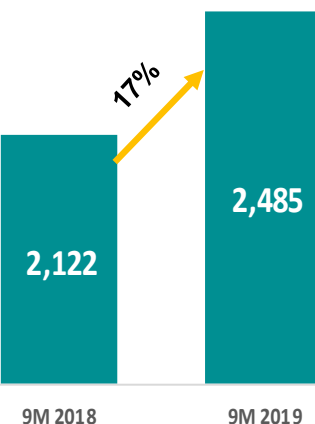
Domestic Trade Volumes - \$ b



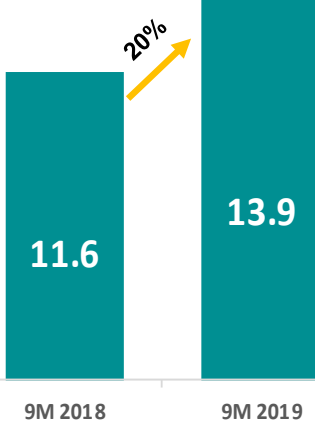
HAW Salary Processed (Rs Bn)



Rs B



Rs B



- Reported PBT for 9M'19 is Rs 18.3b, 3% higher than the Rs 17.7b in 9M'18
- Excluding the impact of higher revaluation loss (Rs 1.8b) on FX open position - PBT is Rs 23.3b, 11% higher than 9M'18
- Capital loss in 9M'19 includes Rs 2.1b realized loss on sale of previously impaired securities, with a corresponding reversal in provisions line – hence no impact on PBT. The normalized P&L (which is adjusted for this impact as well as the reval loss on the open position) is as follows:

Normalized P/L - Group - PKR Mn	9M 19	9M 18	Var Amt	Var %
Net Interest Income	74,058	60,112	13,946	23%
Fee and commission income	15,457	12,753	2,704	21%
Capital (loss)/ gains	(321)	937	(1,258)	-134%
FX income	5,283	3,657	1,626	44%
Loss from derivatives	(658)	(361)	(296)	-82%
Share of associates' profit	2,213	2,325	(112)	-5%
Other income	874	979	(104)	-11%
Non Fund Income	22,848	20,289	2,559	13%
Total Revenue	96,906	80,400	16,506	21%
Admin. Expenses	(68,970)	(56,267)	(12,703)	-23%
Total Expenses	(69,767)	(57,063)	(12,704)	-22%
Pre Provision Operating Profit	27,139	23,338	3,801	16%
Investments	(2,675)	(2,664)	(11)	0%
Credit Provisions	(1,198)	222	(1,420)	-640%
Core Business PBT	23,265	20,895	2,370	11%

- With strong growth in all key drivers, Core Domestic PBT grew by 12% over 9M'18 to Rs 36.2b
- PAT of Rs 8.8b is 11% lower than 9M'18 due to imposition of Super Tax on 2017 earnings

Net Interest income (NII) increased by 23% over 9M'18 to Rs 74.1b

- Domestic NII grew by 22% to Rs 67.3b
 - NIMs improved by 75bps YoY to 5.1% – Earning asset yields, at 11.1%, increased by 350bps due to full flow-through of rate hikes up to H1'19, and maturing investments rolling over at higher rates
 - Cost of funds increased by 275bps to 6.05%, as a Rs 57b growth in average current deposits helped to contain the rise in cost of deposits
 - The average balance sheet grew by Rs 152b mainly resulting from growth in average deposits
- International NII increased by 13% YoY, driven by UAE, Bahrain & UK due to asset growth – 42% growth in rupee terms

Normalized Non-fund income increased by 13% to Rs 22.8b

- Fees continued their growth trajectory, increasing by 21% YoY to Rs 15.5b – Investment banking, consumer finance, trade/loan and card related fees were the major contributors.
- FX income is Rs 1.6b higher – driven by Rs 0.9b gain on one leg of CCS in 9M'19, offset by an unrealized loss of Rs 0.9b on derivatives. Trading revenue also grew by Rs 1.0b
- Capital gains - Swing of Rs 1.3b is mainly due to an additional loss of Rs 0.4b on sale of equities vs Rs 0.6b gain in 9M'18

Normalized administrative expenses increased by 10.1% (Rs 4.6b) – However, the following factors have resulted in headline growth of 23%:

- Higher costs in New York – Rs 2.8b
- Rupee devaluation impact on overseas expenses – Rs 2.0b
- Regulatory initiatives (Re-carding of entire debit and credit card base to EMV compliant chip-and-pin, biometric verification of all account holders) – Rs 1.3b
- Costs resulting from ramped up customer acquisition and business volume growth (Konnnect/FMFB) – Rs 1.2b
- 1st year depreciation of the new Head Office – Rs 0.8b

Provisions

Credit Provisions

- **Domestic** – Despite Rs 1.8b reversals from a strong recovery performance, there is a net provision charge of Rs 1.2b driven from aging of previously classified names as well as new classifications
- **International** – Nominal provision charge of \$0.1m in 9M'19 (9M'18: \$6.2m) as specific provisions were offset by release in general/IFRS 9 provisions

Asset Quality

- Domestic NPLs increased by Rs 3.9b over Dec'18 mainly due to increases in the Agriculture business and the classification of one large exposure. The coverage ratio declined to 87% in Sep'19 (Dec'18: 89%) largely due to this exposure, against which no provisioning was required as at Sep-end.
- International NPLs reduced by \$10m but are Rs 2.4b higher in rupee terms. Consequently, total NPLs rose by Rs 6.3b over Dec'18
- Asset quality was maintained at Dec'18 levels of 7.0% as a result of the loan growth

Total Balance Sheet increased by 3% over Dec'18 to Rs 3.1 trillion

Total deposits rose by 7.0% over Dec'18 to Rs 2.3 trillion

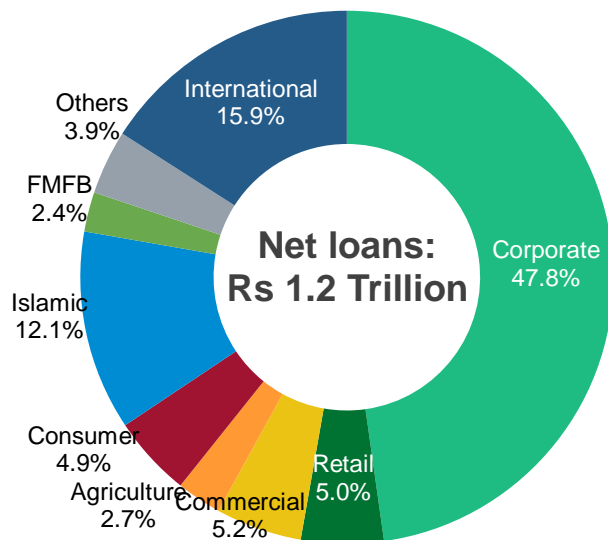
- Domestic deposits grew by 6.3% to Rs 2.0 trillion – market share improved to 14.0% in Sep'19
- Domestic current deposits increased by 5.1% over Dec'18 to Rs 743b with domestic savings deposits growing at 8.4%. The domestic CASA ratio improved from 85.4% in Dec'18 to 85.9% in Sep'19
- Average domestic current accounts mix improved from 35.5% in 9M'18 to 36.9% in 9M'19.
- Consequently, deposit cost increase was contained to 255bps YoY despite a 523bps increase in average KIBOR

Total advances increased by 8.1% over Dec'18 to Rs 1.2 trillion

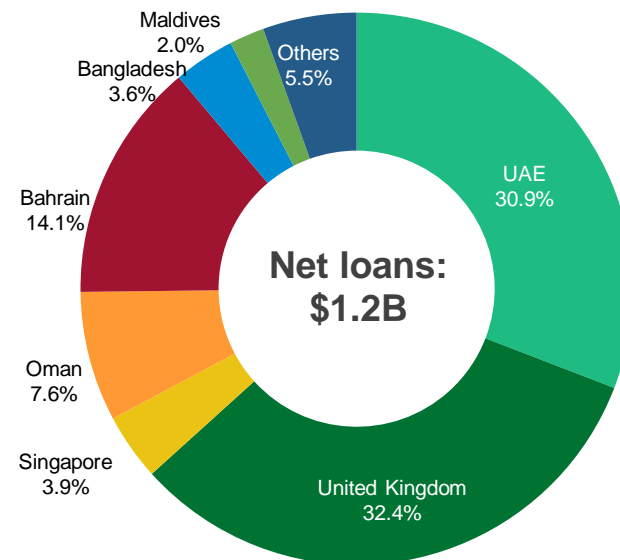
- Domestic advances grew by 4.5% to Rs 954b, with growth coming primarily from the Corporate and Islamic lending businesses
- International advances increased by 15% over Dec'18 to \$1.2 billion, with major contributions coming from UK and Bahrain.

PKR Bln	Sep 19	Dec'18	Var%
Cash & Bank Balances	305.4	322.1	-5%
Lending to Financial Institutions	42.3	51.3	-18%
Investments	1,388.5	1,390.1	0%
Net Advances	1,168.4	1,080.4	8%
Others	200.3	182.0	10%
Total Assets	3,104.8	3,025.9	3%
Deposits - Domestic	2,000.8	1,882.4	6%
Deposits - FMFB	35.6	31.1	14%
Deposits - International	250.3	223.7	12%
Total Deposits	2,286.7	2,137.3	7%
Borrowings	419.1	523.3	-20%
Subordinated loan	22.4	10.0	124%
Others	163.4	156.0	5%
Total Liabilities	2,891.4	2,826.6	2%
Shareholders' equity	194.3	184.7	5%
Surplus on revaluation (Net)	19.1	14.5	31%
Total Liabilities & Equity	3,104.8	3,025.9	3%

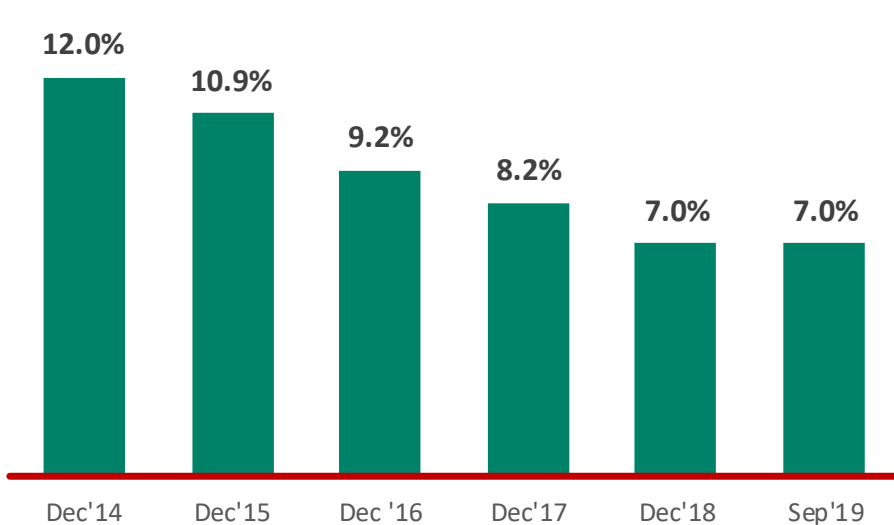
Loan portfolio composition by line of business



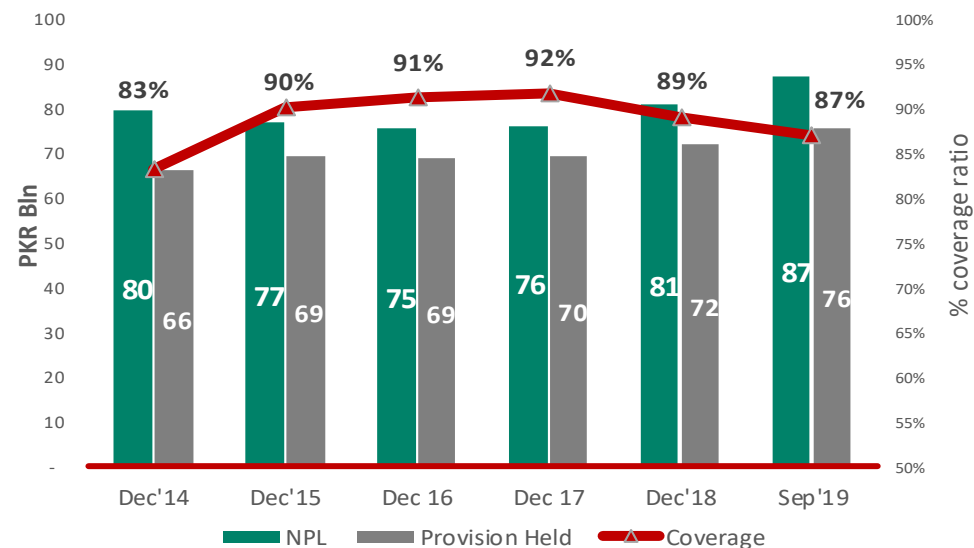
International Advances – Location wise



Asset quality



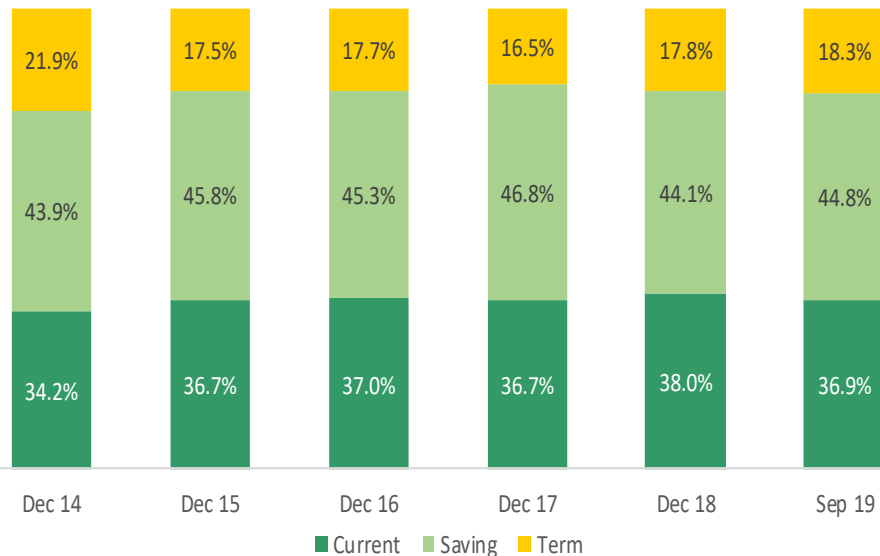
Coverage ratio



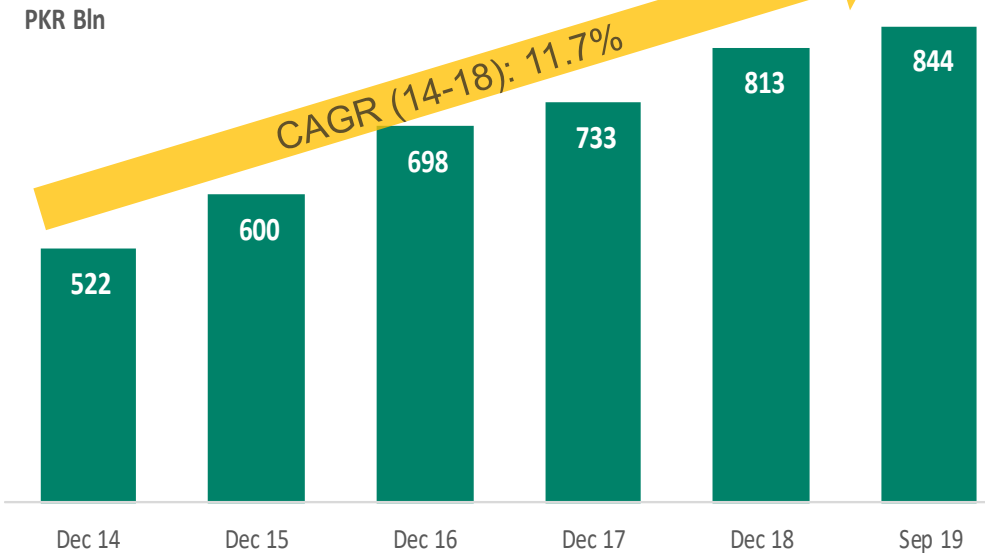
Period End Deposits			
PKR Bln	Sep 19	Dec'18	Var%
Current	743.1	707.3	5%
Saving	976.0	900.3	8%
Term	281.8	274.9	3%
Domestic	2,000.8	1,882.4	6%
International	250.3	223.7	12%
FMFB	35.6	31.1	14%
Group	2,286.7	2,137.3	7%
CASA - Domestic	85.9%	85.4%	0.5%
CASA - Group	81.7%	82.2%	-0.5%

Average Deposits			
PKR Bln	9M 19	9M 18	Var%
Current	668.1	611.6	9%
Saving	888.1	886.9	0%
Term	254.3	225.0	13%
Domestic	1,810.5	1,723.5	5%
Current	232.6	197.5	18%
Term	32.8	23.5	39%
Group	2,076.0	1,944.6	7%
CoD - Dom	5.57%	3.02%	+ 255 bps
CoD - Group	5.17%	2.86%	+ 232 bps

Deposits Composition



Growth in current deposits



Bank - PKR Mln	9M-19 (Actual)	9M-18 (Actual)	Var %
Net Interest Income	74,058	60,112	23%
Core Non Fund Income	20,757	19,709	5%
Revaluation loss on open position	(4,980)	(3,213)	-55%
Total Non Fund Income	15,777	16,496	-4%
Total Revenue	89,835	76,608	17%
Total Expenses	(69,767)	(57,063)	-22%
Pre Provision operating profit	20,068	19,545	3%
Provisions	(1,783)	(1,863)	4%
Profit Before Tax	18,285	17,682	3%
Tax	(9,461)	(7,771)	-22%
Profit After Tax	8,825	9,910	-11%

Ratios	Bank	
	Sep'19	Dec'18
Advances : Deposits	54.4%	53.9%
Asset Quality	7.0%	7.0%
Coverage	86.9%	89.1%
Capital Adequacy - Tier I	12.4%	12.0%
Capital Adequacy - Total	15.5%	16.2%

Ratios	9M 2019	9M 2018
Yield on advances	11.6%	8.2%
Cost of deposits	5.2%	2.9%
Net Interest Margin	4.7%	4.1%
Spreads	3.7%	3.3%
NCL ratio	0.1%	-0.1%
Return on average assets	0.4%	0.5%
Return on shareholders' equity*	6.2%	7.7%
NFI : Gross revenue	17.6%	21.5%
Cost : Income ratio	76.8%	73.4%
Cost : Income ratio - Normalized ^	71.2%	70.0%

^ Normalized C/I ratio excludes:

- Revaluation loss on open position
- Realized capital loss on sale of previously impaired equities

*excluding revaluation surplus

EUROMONEY

Pakistan's Best Bank



Best Investment Bank
Best Sukuk Deal



Brand of the Year, Banking
– Pakistan



Gender Champion Award



Project Finance House of the Year
Utility deal of the Year
Power deal of the Year
Transport deal of the Year



Excellence in Retail Financial Services



Best Corporate Finance
House – Fixed Income

ASIAMONEY

Best Domestic Bank
Best Corporate and Investment Bank
Best Bank for CSR
Best Local Bank in South Asia for BRI
Best Individual BRI Project or Initiative in South Asia

FinanceAsia

Best Investment Bank



- Pakistan Domestic -
Cash Management Bank of the year
Trade Finance Bank of the year
Project Finance Bank of the year
Debt Deal of the Year
Best Corporate & Investment Bank